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S-E-C-R-E-T

ATTACHMENT B
TO OFI NO. 8

ILLUSTRATIVE ACCOUNTING ENTRIES

1. To record requests for advances [REDACTED] 25X1C
Dr. 1465 - Advances [REDACTED] 25X1C
(Appropriation Unexpended)
Cr. Appropriate cash account as determined by Monetary Division.
2. To record the account 291.09 schedule of expenditures in the [REDACTED] 25X1C
monthly accounting:
Dr. 4249 - Property Purchased - Expenditures (cite procurement
FAN account chargeable), for the net amount of [REDACTED] 25X1C
expenditures for the property purchased.
Dr. 4241 - Direct Allotment Costs (cite central transportation
allotment FAN account chargeable), for the net amount
of expenditures for transportation services rendered
[REDACTED] 25X1C
Cr. 1465 - Advances [REDACTED] (Appropriation 25X1C
Unexpended), for the sum of the above debits to accounts
4249 and 4241.

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[REDACTED]

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S E C R E T

12 MAY 1965

OFFICE OF FINANCE INSTRUCTION NO. 15, Revised

SUBJECT : General - Proceeds of Sales of Personal Property
Specific - Application of the Proceeds of Sales of
Personal Property Toward the Cost of
Replacements

REFERENCE: Public Law 600, Section 8, dated 2 August 1946

RECISION : Office of Finance Instruction No. 15, Revised,
dated 24 February 1961

1. PURPOSE

This Instruction is to provide procedures for processing proceeds from sales of personal property which are to be applied to the cost of replacements in accordance with Agency regulations.

2. POLICY

- a. Proceeds from sales of motor vehicles which are to be replaced shall be applied toward the cost of replacements in accordance with Agency regulations and applicable statutory authorization.
- b. Proceeds from sales of personal property other than motor vehicles shall be deposited with the U. S. Treasury as "Miscellaneous Receipts". Exceptions may be authorized in certain instances of sales of personal property where the proceeds are substantial (generally in excess of \$1,000 per unit) and were considered for application toward replacement cost in the allottee's budget.
- c. The proceeds of sales of personal property will be available for obligation for the purchase of replacements during the fiscal year in which the sale is made and for one fiscal year thereafter.

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GROUP 1 Excluded from automatic downgrading and declassification

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- d. If an obligation for replacement is not incurred during the period of availability, the proceeds shall be deposited as "Miscellaneous Receipts" with the U. S. Treasury.
- e. All documents and records relating to the sale of personal property for which proceeds are to be applied toward the cost of replacement shall be cross-referenced to the replacement transactions.

3. PROCEDURE

- a. Recording of Collections of Proceeds of Sales Available for Application to Cost of Replacements

(1) Confidential Funds

Collections applicable to confidential funds will be recorded as a credit to account 691 "Other Expense Credits". Coding of entries will be in accordance with the Financial Coding Guide. Preparation of Form 674, "Report of Collections", is no longer required.

(2) Vouchered Funds

Collections of vouchered funds will be recorded as a Deferred Credit - Proceeds from Sales of Motor Vehicles or Proceeds from Sales of Personal Property as applicable. Coding of entries will be in accordance with the Financial Coding Guide. Again, preparation of Form 674 is no longer required. A collection control number will be assigned in the Accounts Division.

- b. Processing of Collections from Confidential to Vouchered Funds by the Accounts Division.

- (1) By the 15th business day of each month, the Accounts Division shall cause a check to be drawn on confidential funds for transfer to vouchered funds, representing combined confidential fund collections during the previous month, at headquarters and as reported from the field, of proceeds from sales of personal property which are to be held for application against replacement costs, plus those collections already identified as miscellaneous receipts or reimbursements to the appropriation. The check will be supported by an ADP listing of items included in the check.

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- (2) Prior to recording the receipt of the check in vouchered fund accounts, those items on the listing received from confidential funds identified as amounts to be held for application against replacement costs (999999 for vehicles and 888888 for other personal property) will be reidentified with a six-digit collection control number. The first digit will represent the fiscal year in which the sale was made. The remaining five digits will be assigned in sequence for each item as follows:

00001 - 49999 - vehicles
50000 - 99999 - personal property

- (3) The amended ADP listing (as received from confidential funds plus collection control numbers) will serve as detail for entries to be made to the respective vehicle and/or personal property deferred credit accounts and, where applicable, to the Miscellaneous Receipts or Reimbursement to the Appropriation Accounts.

c. Reporting of Collections to the Office of Logistics by the Accounts Division.

At the end of each month, the Office of Logistics components responsible for identifying replacement transactions will each be furnished with three copies of an ADP listing of the open items in the vouchered fund deferred credit accounts available for application against replacement costs. Proceeds from sale of vehicles will be reported to the Transportation Division and proceeds from sale of other personal property to the Supply Division.

d. Reporting of Replacement Transactions by the Office of Logistics.

- (1) The respective Office of Logistics components will identify on a copy of the listing those items which should be applied against replacement costs by indicating the purchase order number of the replacement transaction. If replacement was effected at a field installation, the words, "Delegation of Authority" will be indicated.
- (2) One covering copy of Form 675, Report of Completed Replacement Transaction on Personal Property, will be furnished to the Accounts Division, Office of Finance, by the Office of Logistics for each listing returned to the Accounts Division identifying items to be applied to replacement costs.

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- (3) Where practicable, reports of completed replacement transactions to the Accounts Division from the Office of Logistics should be limited to one a month preferably submitted so as to reach the Accounts Division by the 20th of each month to allow time for processing in finance records in that same month. In those instances where the Office of Logistics cannot identify all of the items on a particular month's listing with specific replacements, partial reports to the Accounts Division may be made by lining out those items on the listing which do not apply. The Form 675 would then be prepared to include only the items applied. Extra copies of the monthly listing may be used when more than one report a month is deemed necessary. Again, lining out all but the items applicable to the current report, including those which may have appeared on a previous report.

d. Clearance from Deferred Credit Accounts by the Accounts Division.

- (1) The Accounts Division will utilize Form 675, supported by ADP listings, as the basis for clearing completed replacement transactions from the appropriate deferred credit account into reimbursements to the appropriation.
- (2) Immediately after the close of each fiscal year, those proceeds which are no longer available for application against replacement costs per paragraph 2c, above, shall be cleared from the deferred credit accounts and deposited to Miscellaneous Receipts with the U. S. Treasury.
- (3) In both (a) and (b) above, entries to the deferred credit accounts will be made by collection control number so that matching items may be dropped from subsequent ADP listings of open items.

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4. EFFECTIVE DATE

The above procedure shall become effective 1 May 1965. This Office will take action to revise [REDACTED] to delete the reference to the use of Form 674.

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[REDACTED]
R. H. FUCHS
Director of Finance

Concur:

[REDACTED]
Director of Logistics

13 May 1965
Date